

THE OFFICE OF REGULATORY STAFF

DIRECT TESTIMONY

OF

DAWN M. HIPPI

February 27, 2013



DOCKET NO. 2013-34-C

**Petition for a Rule to Show Cause as to Why the Certificates
of Public Convenience and Necessity for Certain Providers of
Telecommunications Service Should Not be Revoked for
Failure to File Gross Receipts, Annual Reports and Universal
Service Reports**

TESTIMONY OF DAWN M. HIPPI

FOR

THE OFFICE OF REGULATORY STAFF

DOCKET NO. 2013-34-C

**IN RE: PETITION FOR A RULE TO SHOW CAUSE AS TO WHY THE
CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY FOR
CERTAIN PROVIDERS OF TELECOMMUNICATIONS SERVICE SHOULD
NOT BE REVOKED FOR FAILURE TO FILE GROSS RECEIPTS, ANNUAL
REPORTS AND UNIVERSAL SERVICE REPORTS**

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND
OCCUPATION.**

A. My name is Dawn M. Hipp. My business address is 1401 Main Street,
Suite 900, Columbia, South Carolina 29201. I am employed by the state of South
Carolina as the Director of the Telecommunications, Transportation, Water and
Wastewater Department for the Office of Regulatory Staff ("ORS").

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS
PROCEEDING?**

A. The purpose of my testimony is to present evidence that certain
telecommunications carriers subject to this Commission's jurisdiction have failed
to file the 2012 Gross Receipts Form, 2012 Annual Report Form and the 2012
Universal Service Fund Contribution Worksheet ("USF Report") with the ORS.

**Q. ARE TELECOMMUNICATIONS CARRIERS REQUIRED TO FILE THE
GROSS RECEIPTS FORM?**

A. Yes. Pursuant to S.C. Code Ann. § 58-3-100, 58-3-540, 58-4-60 and 58-9-
370 (Supp. 2012), telecommunications carriers under the jurisdiction of the

1 Commission are assessed annually by the Department of Revenue. The
2 assessment is based on the revenue reported and submitted by each
3 telecommunications carrier on the Gross Receipts Form.

4 **Q. ARE TELECOMMUNICATIONS CARRIERS REQUIRED TO FILE AN**
5 **ANNUAL REPORT?**

6 A. Yes. Pursuant to S.C. Code Ann. § 58-9-370 (Supp. 2012),
7 telecommunications carriers under the jurisdiction of the Commission are
8 required to file annual reports.

9 **Q. DO PUBLIC SERVICE COMMISSION USE GUIDELINES REQUIRE**
10 **TELECOMMUNICATIONS COMPANIES TO FILE THE UNIVERSAL**
11 **SERVICE FUND CONTRIBUTION WORKSHEET?**

12 A. Yes. The Commission Guidelines approved in Order No. 2001-996,
13 require each telecommunication carrier to file, on an annual basis, the information
14 necessary to allow ORS to calculate the company's South Carolina Universal
15 Service Fund ("SC USF") contribution.

16 **Q. DO YOU SUPERVISE THE PREPARATION AND MAILING OF THE**
17 **GROSS RECEIPTS FORM, ANNUAL REPORT FORM AND THE USF**
18 **FORM?**

19 A. Yes. As part of my job duties, I review the Gross Receipts Form, Annual
20 Report Form and USF Report mailing and monitor company compliance. Gross
21 Receipts Forms were due from telecommunications carriers on August 31, 2012.
22 Annual Report Forms were due from telecommunications carriers on April 1,

1 2012 and USF Reports were due from telecommunications carriers on July 1,
2 2012.

3 **Q. PLEASE EXPLAIN EXHIBIT A ATTACHED TO YOUR TESTIMONY.**

4 A. Exhibit A identifies those telecommunication carriers that failed to file the
5 required Gross Receipts Form at the time this testimony was prepared.

6 **Q. PLEASE EXPLAIN EXHIBIT B ATTACHED TO YOUR TESTIMONY.**

7 A. Exhibit B identifies those telecommunication carriers that failed to file the
8 required Universal Service Fund Contribution Worksheet at the time this
9 testimony was prepared.

10 **Q. PLEASE EXPLAIN EXHIBIT C ATTACHED TO YOUR TESTIMONY.**

11 A. Exhibit C identifies those telecommunication carriers that failed to file the
12 required Annual Report Form at the time this testimony was prepared.

13 **Q. WHAT RESPONSE, IF ANY, HAS ORS RECEIVED FROM THE CARRIERS**
14 **NAMED IN THE RULE TO SHOW CAUSE PETITION?**

15 A. The ORS has received several responses from the carriers since the filing
16 of this petition. To the extent additional companies come into compliance before
17 the Commission hearing, ORS will present a revised Exhibit A, Exhibit B and
18 Exhibit C to accurately reflect only those companies who remain out of
19 compliance at the time of the Commission hearing.

20 **Q. WHAT ACTION DOES THE ORS RECOMMEND THAT THE**
21 **COMMISSION TAKE?**

22 A. The ORS recommends that the Commission revoke the Certificates of
23 Public Convenience and Necessity for those telecommunication carriers that have

1 not complied with the Gross Receipt Form, Annual Report Form and/or USF
2 Report requirement as of the hearing date.

3 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

4 **A. Yes it does.**

Exhibit A

Docket No. 2013-34-C

Rule to Show Cause Telecommunications Carriers Non-Compliant with Gross Receipts Filing 2012

February 27, 2013

#	Company Name	DBA	Certificate Type	Address	City	State	Zip	Docket #	Order #	Date Certified	Secretary of State Standing
1	ASP Communications		PSP	PO Box 581	Commerce	GA	30529	1985-150-C	2003-568	09/17/2003	Not Registered
2	Coin Phone Management Company		PSP	1846 Cargo Ct.	Louisville	KY	40299	1985-150-C	1992-385	05/21/1992	Good Standing
3	First American Telecommunications Corp.		PSP	1800 W Broward Blvd	Ft. Lauderdale	FL	33312	1985-150-C	2005-85	02/22/2005	Forfeiture
4	Global NAPS South Carolina, Inc.		IXC	9 Executive Park Dr	Billerica	MA	01862	2001-503-C	2002-258	04/10/2002	Forfeiture
5	Managed Services, Inc.		CLEC	PO Box 1253	Bellmore	NY	11710	2006-154-C	2006-602	10/13/2006	
			IXC					2006-154-C	2006-602	10/13/2006	Good Standing
6	Melanie H. Hodgin		PSP	141 W Ballpark Rd	Gaston	SC	29053	1985-150-C	1997-341	04/24/1997	Not Registered
7	Navigator Telecommunications, LLC		IXC	PO Box 13860	North Little Rock	AR	72113-0860	1999-176-C	1999-572	08/11/1999	Good Standing
8	Samuel S. Graham	Graham Payphone Enterprises	PSP	2248 Canterbury Dr.	Kannapolis	NC	28081	1985-150-C	2002-568	08/07/2002	Not Registered
	Snap Telecommunications, Inc.		CLEC	925 Wappoo Rd., Suite B	Charleston	SC	29407-5969	2004-320-C	2005-95	03/02/2005	
9			IXC				29407-5969	2004-320-C	2005-95	03/02/2005	
											Good Standing
10	StarQuest Telecom	Future Phones	PSP	509 Knob Hill Ct. E	Evans	GA	30809	1985-150-C	1994-615	06/24/1994	
									2009-581	08/18/2009	Dissolved
11	Tennessee Telephone Service, LLC	Freedom Communications USA, LLC	IXC	220 Creekside Dr	Dickson	TN	37055-0000	2004-211-C	2004-567	11/15/2004	
	IN BANKRUPTCY										Good Standing

Exhibit B

Docket No. 2013-34-C

Rule to Show Cause Telecommunications Carriers Non-Compliant with USF Report 2012

February 27, 2013

#	Company Name	DBA	Certificate Type	Address	City	State	Zip	Docket #	Order #	Date Certified	Secretary of State Standing
1	Global NAPS South Carolina, Inc.		IXC	9 Executive Park Dr	Billerica	MA	01862	2001-503-C	2002-258	04/10/2002	Forfeiture
2	Legacy Long Distance International, Inc.		IXC	10833 Valley View Street Ste 150	Cypress	CA	90630	1999-179-C	1999-823	11/19/1999	Forfeiture
3	Managed Services, Inc.		CLEC IXC	PO Box 1253	Bellmore	NY	11710	2006-154-C 2006-154-C	2006-602 2006-602	10/13/2006 10/13/2006	Good Standing
4	Navigator Telecommunications, LLC		IXC	PO Box 13860	North Little Rock	AR	72113-0860	1999-176-C	1999-572	08/11/1999	Good Standing
5	Quad Comm, LLC		IXC	3562 SW 24th Ave Rd	Ocala	FL	34471	2011-344-C	2011-979	01/12/2012	Good Standing
6	Snap Telecommunications, Inc.		CLEC IXC	925 Wappoo Rd., Suite B	Charleston	SC	29407-5969 29407-5969	2004-320-C 2004-320-C	2005-95 2005-95	03/02/2005 03/02/2005	Good Standing
7	Tennessee Telephone Service, LLC IN BANKRUPTCY	Freedom Communications USA, LLC	IXC	220 Creekside Dr	Dickson	TN	37055-0000	2004-211-C	2004-567	11/15/2004	Good Standing

Exhibit C
Docket No. 2013-34-C
Rule to Show Cause Telecommunications Carriers Non-Compliant with Annual Report 2012

February 27, 2013

#	Company Name	DBA	Certificate Type	Address	City	State	Zip	Docket #	Order #	Date Certified	Secretary of State Standing
1	Managed Services, Inc.		IXC CLEC	PO Box 1253	Bellmore	NY	11710	2006-154-C 2006-154-C	2006-602 2006-602	10/13/2006 10/13/2006	Good Standing
2	Tennessee Telephone Service, LLC IN BANKRUPTCY		IXC	220 Creekside Dr	Dickson	TN	37055	2004-211-C	2004-567	11/15/04	Good Standing